# Supreme Court of the United States

No. 992

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION

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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1960.

No. 992.

DAY-BRITE LIGHTING, INC.,
*Petitioner,*
*vs.*
SANDEE MANUFACTURING CO.,
*Respondent.*

## BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION.

Respondent, Sandee Manufacturing Co., opposes the petition herein for a writ of certiorari for the reasons hereinafter stated.

### OPINIONS BELOW.

The opinions below are adequately set forth in the petition.

### JURISDICTION.

The jurisdictional requisites are adequately set forth in the petition.

### QUESTIONS PRESENTED.

The questions presented at pages 2 to 4 of the petition are not within the purview of Rule 19 of this Court. They do not have to do with matters that are so special or important as to compel decision by this Court.

Further, those questions are philosophic, spurious and not in accord with the actual facts, they erroneously attribute to the Court of Appeals holdings which the Court did not make, and they are presented for the purpose of attempting to relitigate in this Court all of the specific issues between the litigants finally decided by the Court of Appeals on the specific facts involved.

## STATEMENT OF THE CASE.

Respondent in no way adopts or acquiesces in the alleged statement of the case appearing at pages 4 to 5 of the petition, for it, as well as the ensuing argument, are replete with misstatements of fact and erroneous assertions and arguments in an attempt to paint a picture which is contrary to the actual facts. For a true statement of the relevant facts in the case reference is made to the opinions of the Court of Appeals (Petition appendix, pages 12a to 20a). We shall, in the course of the following Argument and discussion of the "Questions" raised by the petition, point out some of these misstatements of fact and erroneous assertions and arguments of petitioner.

## ARGUMENT.

The present case is an ordinary one involving only such conventional issues as (1) patent validity of a particular design patent in view of certain particular prior art, and (2) whether there was any unfair competition, under the particular facts of this case, by reason of respondent's alleged use of the design of that design patent which the Court of Appeals held to be invalid.*

The Court of Appeals, having before it all of the evidence including the physical and documentary exhibits as well as the transcript, and aided by extensive briefs on the appeal and on the petitioner's petition for rehearing and by oral argument and demonstration in Court, and following thorough consideration and study of the matter here involved, decided that the design patent in suit was invalid in view of the prior art and that there was no unfair competition, under the specific facts involved, by reason of respondent's alleged use of the design of the invalid design patent. This decision of the Court of Appeals was sound in law and in fact.

The decision of the Court of Appeals turned upon the particular facts of the case and it will affect few others, if any, than the litigants. There is nothing of public interest or of special import here decided that would warrant review by this Court. There is no conflict of decision and there is nothing presented in the petition which would require review.

* Three different panels of respondent were involved, as to one of which there was admittedly infringement if the design patent of petitioner was valid. As to the other two panels of respondent, concerning which respondent denied infringement, the Court of Appeals found it unnecessary to consider the issue of infringement because it found the design patent invalid.

For the foregoing reasons alone, the petition for the writ should be denied. However, we proceed with a discussion of the various alleged questions in the petition.

## QUESTION 1.

This question, having to do with alleged "policy" of the law and utilizing the wholly inappropriate and inapplicable self-coined term "industry stagnation," is, as is the argument with respect thereto at pages 6 to 12 of the petition, philosophic, spurious, meaningless, conjectural and beside the point, and the question and the argument make assumptions which are wholly unsupported and not in accordance with the facts or the established law.

It is elemental and well established that the "policy" of the law, which stems from the constitution, is to promote our free enterprise system, and not restrict it, and the law has done just this.

Petitioner contradicts itself in its own unfounded arguments. At page 8 of its petition, it conjectures, without legal support therefor, that "there is no longer any such thing as a valid design patent or unfair competition from copying trade dress, styling or design in the Seventh Circuit." At page 10 of its petition, however, it flatly admits that the "Seventh Circuit does recognize that a cause of action for unfair competition may exist by reason of copying such designs"—and then it goes on further on the same page to admit that in the "Seventh Circuit * * * the manufacturer is protected if his styling identifies him as the source or has a 'secondary meaning', or if his competitor copies and 'palms off' his goods as the goods of the other." The plain and simple fact is that the Court of Appeals for the Seventh Circuit, in the case at bar, did not depart from established legal principles but, on the contrary, applied the fundamental applicable and accepted

law, uniformly recognized not only by the various Circuit Courts of Appeals but by this Court as well, to the specific facts before it, and ruled correctly with respect to those specific facts, in holding the design patent in suit invalid and that there was no unfair competition by defendant.

## Part (a).

Petitioner erroneously suggests, at pages 10 and 11 of the petition, that the standard of patentable invention should be different from and lower in design patents than in functional or utility patents, and part (a) of Question 1 erroneously assumes that the standard of design patentable invention is too high, and, in asserting these positions, petitioner disregards decisions of this Court as well as the express and unequivocal language of the design patent statute.

This Court in *Smith v. Whitman Saddle Co.*, 148 U. S. 674, 679, 37 L. Ed. 606, 609, held that the then law applicable to the patentability of design patents is similar to that in relation to mechanical patents; and to entitle a party to the benefit of the Act, in either case, there must be originality and the *exercise of the inventive faculty*, and mere mechanical skill is insufficient. The Federal Courts have continuously so held, *ad nauseam* and this has been codified in the Patent Statutes (35 U. S. C. 171) as follows:

> "Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.
>
> "*The provisions of this title relating to patents for inventions shall apply to patents for designs*, except as otherwise provided." (Emphasis added.)

and there are no exceptions as to patentability of design inventions. Petitioner's suggestion that the standard of

patentable invention in design patents should be different from and lower than in utility or functional patents is contrary to the established law.

The Court of Appeals properly applied the established standard of invention in the light of the particular facts in the instant case and correctly held the design patent in suit to be invalid as not rising to the level of invention in view of the file wrapper history and the particular prior art brought before it by respondent, which prior art had not been cited and considered by the Patent Office (Petition Appendix, page 17a).

**Part (b).**

Part (b) of Question 1 erroneously assumes as facts, but which the Court of Appeals found were *not* the facts, namely, that petitioner's panel acquired a secondary meaning and that respondent knew that the design thereof was identified with petitioner and no one else. Also, petitioner erroneously asserts in the petition, at page 4, that petitioner deliberately adopted a novel appearing panel so that the appearance of the panel alone would identify petitioner to the trade and to users of petitioner's fixtures, and at pages 5, 6, 8 and 11 that the trial judge and the Court of Appeals held that the trade associated the appearance of petitioner's panels alone, and without more, with petitioner. Those assumptions and assertions, in addition to being erroneous, misleadingly seek to create an impression which is contrary to the actual facts as held by both Courts.

**QUESTION 2.**

This question is discussed by petitioner at pages 17 to 18 of the petition. The trial court did not find, as the petitioner wanted it to do and as the petitioner erroneously and misleadingly asserts in the petition, that the trade

associates the appearance of Cleartex panels with petitioner (plaintiff) but, instead, it found that the trade associates the appearance of Cleartex panels with petitioner (plaintiff) *and its trademark "Cleartex"* (Finding of Fact 34, appendix p. 8a), it being noted that petitioner utilized that trademark in connection with its said panels. The fact is that there was no finding by either the trial court or the Court of Appeals that the *design or appearance itself* of petitioner's panel, without more, identified petitioner as the *source* of such panels. The further fact is that the trade did *not* associate the panel design or appearance with petitioner except in conjunction with its trade mark "Cleartex", and this is as far as the finding of the trial court went.

Accordingly, the Court of Appeals expressly and correctly ruled (Petition Appendix, pages 19a to 20a) that the findings did not support the essential elements of "palming off" or "secondary meaning" and that plaintiff failed to make such proof; that the fact, if such it be, that there was confusion in the minds of the public because of alleged similarity between petitioner's and respondent's *products*, bore upon the infringement issue if the patent had been valid; and that there was no unfair competition, for the mere copying of a non-patented design or the design of an invalid patent does not constitute unfair competition.

This point was correctly decided by the Court of Appeals in view of the particular facts in this case.

## QUESTION 3.

Petitioner asserts, erroneously, and by misleading, incomplete and "selected" quotations from a number of cases, that there is a conflict between various of the Courts of Appeals in the several Circuits. By this maneuver, it

is attempting to persuade this Court to grant the petition to "eliminate the conflict between the Circuits." There is no conflict at all.

This question is discussed by petitioner at pages 7, 10, 11 and 12 to 17 of the petition. At page 7, petitioner suggests some proposals, wholly unsupported by the adjudicated cases, for what it would like the law to be, and at page 10, petitioner erroneously characterizes the law in various circuits in an attempt to infer that there is a conflict among the Circuits when no such conflict exists.

At pages 3 and 11 to 14 of the petition, petitioner improperly and incorrectly asserts that there is a direct conflict between the Second, Seventh and Eighth Circuits on this particular question of unfair competition, citing the cases of *American Safety Table Company* v. *Schreiber*, 269 F. 2d (CA-2, 1959) and *Neely et al.* v. *Boland Manufacturing Company*, 274 F. 2d 195 (CA-8, 1960), and that this Court has not ruled on this particular question of unfair competition, citing *Kellogg Company* v. *National Biscuit Co.*, 305 U. S. 111; 83 LEd 73 (1938). Those cases, as well as the instant case, were decided upon the particular specific facts involved respectively therein.

Petitioner's assertions with respect to those cases are blatantly misleading and are in no way in accord with the actual bases of the decisions in those cases, and we submit that they constitute an unwarranted imposition upon this Court.

The case of *American Safety Table Company* v. *Schreiber*, 269 F. 2d 255 (CA-2, 1959), contrary to what is asserted by petitioner, did *not* hold the defendant liable for unfair competition simply on the likelihood of confusion that was created in the defendant's copying of plaintiff's collar pressing machine, and petitioner's quotations therefrom, in an attempt to support its assertion, are taken completely out of context. In that case, the Court stated

(pages 271 to 273) that the mere imitation or copying of an unpatented device is not of itself actionable, even where there was confusion between *products* and some confusion as to *source*, but that any unnecessary confusion as to *source* would not be condoned. The Court agreed (pages 273 to 274) with the trial court that there probably was no confusion as to *source* brought about by "secondary meaning". However, the Court did find unfair competition based on "passing off", stating in footnote 10 (page 272): "Problems relating to the extension and development of this doctrine into areas beyond 'passing off' are not within the purview of this case". In this respect, the Court found (pages 274 to 276) that, in addition to copying the machine, defendant used a campaign of deliberately contrived misrepresentations, fraud and willful deception, and a deliberately contrived scheme of fraudulent marketing, in other words, "passing off" or "palming off".

Likewise, petitioner's characterization of *Neely v. Boland Manufacturing Co.*, 274 F. 2d 195 (CA-8, 1960) is erroneous and misleading. In that case (pages 198 to 199), the Boland plastic garment bags were virtual duplicates of those produced by Neely. Boland at first packaged its bags in a box or carton which bore virtually no resemblance to the package used by Neely, and later Boland changed to a new box, which, in shape, color and dimensions, was an exact duplicate of the Neely box with its characteristic cellophane window and a single line drawing of a garment bag with a man's coat inside of it, and the words "Suit Cover" and "Always Ready to Wear". With respect to such particular facts, the Court held (page 203) that Boland did not unfairly compete by merely imitating the garment bags of Neely, for Boland had every right to do so, but that Boland exceeded the bounds of fair competition when it packaged its goods in virtually the same containers as had long been used by Neely and which were

calculated to deceive intending purchasers and lead them to believe they were buying goods produced by Neely. In that *Neely* case, if there was not "palming off", there was likelihood of confusion as to *source* because of the "secondary meaning" attached to the long used boxes of Neely.

Those cases, turning on the particular facts involved therein, are utterly remote and a far cry from the instant case and its particular facts. There is absolutely no conflict in the applicable law principles between those cases and the case at bar.

Petitioner, at pages 11 and 14 of the petition also erroneously and misleadingly characterizes this Court's decision in *Kellog Co.* v. *National Biscuit Co.*, 305 U.S. 111; 83 LEd. 73 (1938). In that case (pages 119 to 120), a design patent had been taken out to cover the pillow-shape of a cereal product and that design patent had been declared invalid and thus, in effect, dedicated to the public before it expired. This Court properly ruled that Kellogg Company was free to use the pillow-shape, subject only to the obligation to identify its product lest it be taken for that of plaintiff.

Contrary to what petitioner is asserting, namely, that this Court has never passed upon the legal principles applicable to facts such as are present in the case at bar, the instant case is, in almost all respects, on all fours with the *Kellogg Co.* case. Petitioner's design patent has been declared invalid and thus, in effect, dedicated to the public, and, as in the *Kellogg* case, respondent is free to use the design. Independently of other considerations, petitioner advertises and sells its panels under its trademark "Clear-tex", and respondent advertises and sells its panels under its own and entirely different trademark "Horizon". There has been no "palming off", no "secondary meaning" established for petitioner's panel, and, hence, no confusion as to *source*.

The case of *International News Service* v. *Associated Press*, 248 U. S. 215 (1918), cited at page 14 of the petition, is in no way in point, it having to do with unfair business tactics in gathering news. Neither is the case of *Independent Nail & Packing Co.* v. *Stronghold Screw Products*, 205 F. 2d 921, 926 (CA-7, 1953), cited at page 15 of the petition, relevant, it being a *trademark* case, involving the trademark "Stronghold", and there, also, it is stated that the confusion in trade must be as to the *source* of the products. The same is true with respect to the *trademark* statutes referred to in the footnote beginning at page 16 of the petition. The case of *Luminous Co.* v. *R. Williamson & Co.*, 245 Fed. 988 (CA-7, 1917), affirming 241 Fed. 265, did not involve a design patent or the alleged copying of a design of an invalid design patent and, in view of the particular facts there involved, is not pertinent to the case at bar.

It is clear that petitioner is attempting to do what it cannot do under the well established law—namely to obtain, under the guise of non-existent unfair competition, a monopoly on the design of its invalid design patent and to parlay it into a perpetual monopoly, beyond the statutory period for the design patent even if the design patent had been held valid.

**QUESTION 4.**

This question is discussed by petitioner at pages 18 to 20 of the petition. Here again, the question and discussion make assumptions and arguments, which are not in accordance with the facts, and the effect is simply to paint an erroneous picture.

**Part (a).**

For example, with respect to part (a) of this question, the Court of Appeals did *not* state simply that the design was new and original with a decorative appeal. What the Court of Appeals did state is: "*Even though* plaintiff's design was new and original with a decorative appeal, *as found by the District Court*, it did not, in our judgment, rise to the level of invention in view of the file wrapper history and prior art not cited and considered by the Patent Office." (Petition Appendix, page 17a.) (Italics ours.)

**Parts (b) and (d).**

With respect to these parts of this question, it is well established that the answer to the questions of validity of a design patent, in the last analysis, must come from a study of the physical and documentary exhibits, and the Court of Appeals was free to resolve that question by an independent analysis of the relevant evidence, under the announced principles and documentary rule in *Armour & Co.* v. *Wilson & Co., Inc.*, 274 F. 2d 143, 156 (CA-7, 1960), *Burgess Vibrocrafters, Inc.* v. *Atkins Industries, Inc.*, 204 F. 2d 311, 314 (CA-7, 1953), *Capex Co.* v. *Swartz*, 166 F. 2d 5, 6 (CA-7, 1948). The documentary and physical exhibits clearly established, as properly held by the Court of Appeals, that the design patent in suit was invalid.

The trial court made no specific findings of fact with respect to patentable invention over the prior art, except as to state (Petition Appendix, page 9a) that on the basis of the prior art evidence, relative to which it made no specific findings, the question of patentable invention was "a close one here", and then resolved that question in favor of the design patent because of the alleged statutory presumption of validity and commercial success. With this,

the Court of Appeals properly did not agree for reasons fully stated by it (Petition Appendix, pages 14a to 15a and 17a). The Court of Appeals thoroughly considered the specific evidence in this case, including the transcript and the documentary and physical exhibits, and in the light of 35 U. S. C. 103 found (Petition Appendix, pages 15a to 17a) that the design of the design patent in suit did not rise to the level of invention, not being inventive in character and not being beyond the skill of the ordinary designer or draftsman, and properly and correctly held the design patent in suit invalid. Contrary to what is stated at pages 19 and 20 of the petition, it is clear from its opinion that the Court of Appeals did consider the question of obviousness, *i.e.* lack of patentable invention.

**Part (c).**

This part of this question 4 erroneously asserts, as petitioner erroneously represented before the Court of Appeals, that the prior art panel considered by the Court of Appeals (the Corning "Twinlite" panel of 1952) was before the Patent Office. At page 20 of the petition, petitioner seeks to imply that said "Twinlite" panel was the same as the Corning "Twin Lens" panel of 1946 cited by the Patent Office and, hence, that the Patent Office considered this same prior art which was considered by the Court of Appeals. That assertion is flatly wrong and petitioner knows it to be wrong. The fact is, as the Court of Appeals clearly set forth in its opinion (Petition Appendix, pages 15a to 17a), the panels were distinctly different, the "Twin Lens" panel of 1946, cited and considered by the Patent Office, having its rear surface "stippled or fine lined"; while the "Twinlite" panel of 1952, treated by the Court of Appeals and not considered by the Patent Office, had its rear surface provided with "spaced transverse ribs".

## CONCLUSION.

What petitioner, by its petition, is erroneously attempting to do in this case, which turned upon its particular facts, is:

(1) Reverse the sound holding by the Court of Appeals of invalidity of the design patent in suit over the prior art;

(2) Failing this, draw a differentiation between the standard of invention in design patent cases and in utility or functional patent cases in direct contravention of the clear and unequivocal language of the patent statutes, and through this guise reverse the sound holding of invalidity of the design patent in suit;

(3) Reverse the sound holding by the Court of Appeals of no unfair competition under the specious and erroneous contention of a conflict of law in different Circuits when no such conflict exists;

(4) Failing this, change the well established law of unfair competition so that it would encompass the mere copying of a design of an invalid design patent, and through this guise reverse the sound holding of unfair competition and parlay its invalid design patent into a perpetual monopoly.

There is no proper basis for the petition for the writ and said petition should be denied.

Respectfully submitted,

CHARLES B. SPANGENBERG,
135 South La Salle Street,
Chicago 3, Illinois,
*Attorney for Respondent.*

Of Counsel:
SIDNEY WALLENSTEIN,
135 South La Salle Street,
Chicago 3, Illinois.

## APPENDIX — STATUTES.

35 U. S. C. 171. Patents for designs

Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.

The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided. (R. S. 4929, 4933; 35 U. S. C., 1946 ed., 73.)

35 U. S. C. 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.